

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN INVESTIGATION OF ELECTRIC RATES OF)	
LOUISVILLE GAS AND ELECTRIC COMPANY TO)	CASE NO. 10320
IMPLEMENT A 25 PERCENT DISALLOWANCE OF)	
TRIMBLE COUNTY UNIT NO. 1)	

O R D E R

On August 21, 1989, the Attorney General's Office, Utility and Rate Intervention Division ("AG"), filed comments on the proposed settlement agreement that was filed on August 11, 1989. Those comments raise three issues relating to the hearing, to be held on August 23, 1989, to consider the merits of the proposed settlement agreement.

The first issue is that the Commission's August 14, 1989 Order scheduling the August 23, 1989 hearing has impermissibly restricted the scope of the evidence to be introduced on the merits of the proposed settlement agreement. That Order provides that, "[N]umerous hearings were held and extensive evidentiary records were compiled in Case Nos. 9934 and 10064. Since both of those case records have been incorporated herein by reference, the Commission will not permit the introduction of any evidence relating to issues adjudicated in those cases." August 14, 1989 Order, page 2. That Order was intended only to foreclose the introduction of evidence challenging those issues previously adjudicated and now pending review at the Franklin Circuit Court.

Since the Commission has scheduled a hearing "to receive evidence and oral argument on the merits of the Settlement Agreement," August 14, 1989 Order, page 2, evidence relevant to that issue will be received.

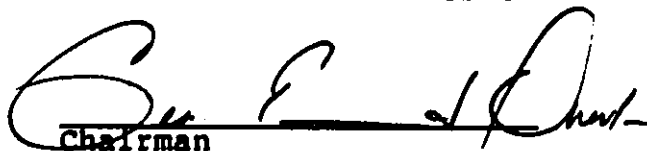
The second issue is who has the burden of proof in the hearing on the merits of the proposed settlement agreement. The Commission notes that the only statute or regulation allocating burden of proof in a Commission hearing is KRS 278.190(3), relating to new rates filed by a utility. Under the circumstances of this case, the Commission finds that the proponents of the proposed settlement agreement should have the burden of proof to demonstrate that it is reasonable and in the public interest.

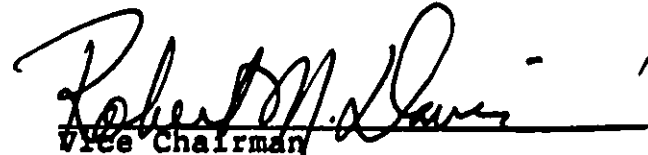
The third issue is the role of the Commission's Staff. The Staff will be available at the August 23, 1989 hearing to offer testimony.

IT IS THEREFORE ORDERED that the Commission's August 14, 1989 Order be and it hereby is clarified, modified, and supplemented as set forth in the above findings.

Done at Frankfort, Kentucky, this 22nd day of August, 1989.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman

ATTEST:

Executive Director


Commissioner